

SUPERVISORY AGREEMENT

This Supervisory Agreement (Agreement) is made and is effective this 12th day of October, 2004 (Effective Date), by and between **Rayne Building and Loan Association, Rayne, Louisiana**, OTS Docket No. 05352 (Rayne or Association), a state chartered mutual association, and the Office of Thrift Supervision (OTS), a bureau of the United States Department of the Treasury, acting through its Midwest Regional Director or his designee (Regional Director), and the Louisiana Office of Financial Institutions (OFI), acting through its Commissioner or his designee (Commissioner).

WHEREAS, OTS is the primary federal regulator of the Association and OFI is the primary state regulator of the Association;

WHEREAS, based upon the Association's June 1, 2004 Report of Examination (ROE), OTS and OFI are of the opinion that Rayne has engaged in acts and practices that: (i) have resulted in violations of certain of the laws or regulations to which the Association is subject; and/or (ii) are considered to be unsafe and unsound;

WHEREAS, OTS and OFI are of the opinion that grounds exist for the initiation of an administrative proceeding against the Association;

WHEREAS, OTS and OFI are of the view that it is appropriate to take measures intended to ensure that the Association will: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices; and

WHEREAS, the Association, acting through its Board of Directors (Board), without admitting or denying that such grounds exist except those as to jurisdiction, which are admitted, wishes to cooperate with OTS and to evidence the intent to: (i) comply with all applicable laws and regulations; and (ii) engage in safe and sound practices.

NOW THEREFORE, in consideration of the above premises and the mutual undertakings set forth herein, the parties hereto agree as follows:

1. Compliance With Laws and Regulations

The Association, its Directors, officers, employees, and agents, shall take all necessary and appropriate actions to comply with the following laws and regulations:

- A. Appendix B to 12 C.F.R. Part 570 (customer information security program);
- B. 12 C.F.R. § 563.177(c)(2) (independent testing of compliance with the Currency and Foreign Transactions Reporting Act, as amended by the USA Patriot Act and other laws (the Bank Secrecy Act or BSA), 31 U.S.C. §§ 5311 *et seq.*, and the regulations issued thereunder by the U.S. Department of the Treasury, 31 C.F.R. §§ 103.11 *et seq.*, and the related BSA regulation issued by the OTS, 12 C.F.R. § 563.177(collectively with the aforementioned laws and regulations, the BSA Laws and Regulations));

- C. 12 C.F.R. § 563.177(c)(4) (training on BSA matters); and
- D. 12 C.F.R. § 563.170(c) (documentation of business conducted).

2. **Interest Rate Risk Management**

- A. By December 1, 2004, the Board of Directors (Board) shall adopt a revised interest rate risk/investment policy (IRR/Investment Policy) that complies with 12 C.F.R. § 563.176, Section II.E of Appendix A to 12 C.F.R. Part 570, and Thrift Bulletin 13a, and, that shall include, but not be limited to, the following:
 - 1. A requirement that the Association not purchase complex securities without OTS's and OFI's non-objection. Each request for non-objection shall include a pre-purchase analysis of the proposed security in accordance with Paragraph 2.A.4. hereof by a qualified independent third party;
 - 2. A requirement that the Association develop procedures to identify complex securities defined in OTS Thrift Bulletin 13a or any successor issuance;
 - 3. Establishment of limitations on purchases of complex securities based on a specific percent of total assets and total portfolio;
 - 4. Documentation of all securities transactions in accordance with OTS Thrift Bulletin 13a, including, but not limited to (i) pre-purchase and post-purchase analysis; (ii) the projected impact on the Association's overall interest rate risk exposure; (iii) whether it would cause the Association's interest rate risk exposure to fall outside the Board's prescribed limits; and (iv) ongoing monitoring of price risk of complex securities;
 - 5. Monthly meetings of the Board, or a designated Board committee with a written report of their actions to the Board, to review the Association's IRR and investments; and
 - 6. Ongoing monitoring of Bank-Owned Life Insurance (BOLI) in accordance with Appendix A to Section 250 of the OTS Thrift Activities Handbook.
- B. By December 15, 2004, the Board shall submit the IRR/Investment Policy to the Regional Director and the Commissioner for review and a written notice of non-objection. The Association shall comply with the IRR/Investment Policy upon receipt of written non-objection.
- C. The Association shall not purchase any complex securities and shall not increase its investment in Bank-Owned Life Insurance without the prior written non-objection of the Regional Director and the Commissioner.

- D. By November 15, 2004, the Board and management must obtain training from an independent qualified vendor regarding investments in complex securities, derivatives, and interest rate risk/investment management and monitoring, and submit evidence of training to the Regional Director and the Commissioner by November 15, 2004. For purposes of this Paragraph, an independent vendor is a vendor that has not made any sales or investment presentations to the Association and who will not make any sales or investment presentations to the Association.

3. **Corporate Governance**

- A. By October 15, 2004, the Board shall establish a corporate governance policy that requires: (i) Board minutes and Board Committee minutes to reflect fully and accurately all business conducted at the Board and Board Committee meetings, in accordance with 12 C.F.R. § 563.170(c); (ii) the Board minutes and Board Committee minutes are typed in the proper format and reviewed and approved at the next Board or Board Committee meeting; and (iii) all minutes are maintained in a designated location.
- B. The Board shall direct management to review the deficiencies regarding Board minutes noted in the OTS February 5, 2001 ROE, OFI October 21, 2002 ROE, and OTS June 1, 2004 ROE. The Board shall require management to correct the deficiencies and the Board shall approve the properly prepared minutes. The Board shall submit progress reports to the Regional Director and the Commissioner beginning on September 30, 2004 and quarterly until the Board has determined that all minutes have been corrected. The Association also shall submit copies of approved minutes on a monthly basis through the month of March 2005.

4. **Staffing**

- A. By December 1, 2004, the Board must conduct a review of current staffing levels (i) to determine the adequacy, depth, and compensation of management and employees; and (ii) to evaluate the need for outsourcing in accordance with Thrift Bulletin 82a, "Third Party Arrangements", dated September 1, 2004. The Board should consider in reaching its findings: (a) the regulatory deficiencies and violations noted in the June 1, 2004 ROE, the OTS February 5, 2001 ROE, and the OFI October 21, 2002 ROE; (b) the Association's business plan and strategic plan; (c) the capability of staff to monitor investment portfolio; (d) the requirements of this Agreement; and (e) the appropriate training of staff to ensure that Association is complying with regulatory requirements.
- B. By December 15, 2004, the Board shall submit the staffing report and its implementation plan (Staffing Implementation Plan) to the Regional Director and the Commissioner for a written notice of non-objection. The Association shall comply with the Staffing Implementation Plan in accordance with the notice of written non-objection. The Board shall review its Staffing Implementation Plan and make the appropriate adjustments.

- C. By December 15, 2004, the Board must adopt a vendor management policy that complies with Thrift Bulletin 82a, "Third Party Arrangements", dated September 1, 2004, and other applicable policies, including but not limited to Thrift Bulletin 81, "Interagency Policy Statement on the Internal Audit Function and Its Outsourcing", dated March 17, 2003. The Association's vendor management policy shall address contracts with third party service providers for information technology.

5. **Information Technology**

- A. By no later than December 31, 2004, the Association shall adopt and submit for a written notice of non-objection to the Regional Director and the Commissioner, a plan for Information Technology (IT) that addresses the factors set forth in Federal Financial Associations Examination Counsel's (FFIEC) IT Examination Handbook-Management, (June 2004), Section 341 of OTS Thrift Activities Handbook; and includes, but is not limited to the following:
1. Objectives for the Association's IT on a short-term and long-term basis;
 2. Outsourcing or in-house expertise;
 3. Risk measurement and monitoring that effectively identify ways to manage risk exposure, including appropriate controls;
 4. Appropriate intrusion detection system;
 5. Network diagram;
 6. Firewall control parameters;
 7. End user computers;
 8. Back-up policies and logs for the network;
 9. Modem usage and security policy;
 10. Document destruction and media re-use policy;
 11. Safeguards for third party e-mail accounts and Internet access control procedures;
 12. Safeguards for administrative passwords;
 13. Physical access controls for the server; and
 14. A business continuity plan that incorporates the guidelines in the FFIEC's IT Examination Handbook - Business Continuity Planning, (March 2003), and that requires periodic testing of the business continuity plan and presentation of the

findings to the Board.

- B. By December 31, 2004, the Board shall adopt and submit to the Regional Director and the Commissioner for a written notice of non-objection, a revised customer information security program that incorporates the requirements and guidelines in Appendix B to 12 C.F.R. Part 570, and the FFIEC's IT Examination Handbook – Information Security (December 2001). The customer information security program also must address the deficiencies in the June 1, 2004 examination report and the following:

1. Periodic assessment of reasonably foreseeable internal and external threats that could result in unauthorized disclosure, misuse, alteration, or destruction of customer information or customer information systems;
2. Oversight of service provider arrangement;
3. Implementation of security controls that provides for (a) assigned users and system resources to only have the required access to perform job functions; (b) periodic review of user's access rights based on job performance, background checks, or other personnel information; and (c) training of staff to implement information security program; and
4. Internal audit and status reports at least annually to the Board or the appropriate Board Committee, describing overall status of the information security program and compliance with Appendix B to 12 C.F.R. Part 570.

- C. By December 31, 2004, the Board shall develop and implement an audit program to review IT risks in the Association. The audit program shall cover the factors set forth in FFIEC's IT Examination Handbook-Audit, (August 2003), and Sections 341 of OTS Thrift Activities Handbook, and shall include, but not be limited to the following requirements:

1. External audit at least annually by a qualified service provider;
2. Internal audit by a qualified service provider, in accordance with Thrift Bulletin 81, "Interagency Policy Statement on the Internal Audit Function and IT Outsourcing", dated March 17, 2003 (TB 81);
3. Evaluation of management's planning and oversight of IT activities and compliance with IT Program and Customer Information Security Plan;
4. Evaluation of adequacy of operating process and internal controls;
5. Requirement for third party reviews of service providers that generally conform to scope of the American Institute of Certified Public Accountants Statement of Auditing Standards No. 70; and

6. Requirement for the written external and internal audit reports should, at a minimum, describe the scope and objectives, list of deficiencies, suggest that corrective actions, and provide follow-up on prior audit exceptions.

The Board may authorize the internal audit and external audit by the same qualified service provider after considering the factors listed regarding independence set forth in Part III of TB 81, and provided that the engagement letter requires all audit findings and deficiencies be included in the audit report and an assessment of the severity of risks.

- D. By no later than 30 days after receipt of a written audit report, the Board shall submit a copy of the audit report and its directed corrective actions to the Regional Director and the Commissioner.
- E. The Board shall review at least annually and make the appropriate revisions to its IT Plan, Customer Information Security Plan, and IT Audit Plan. Such review shall be recorded in the minutes of the Board.
- F. The Association shall comply with the Customer Information Security Plan, IT Audit Plan, and IT Program.
- G. The Board shall designate a committee to monitor compliance with the Customer Information Security Plan and Appendix B of 12 C.F.R. Part 570.

6. **BSA Compliance Program**

- A. By January 31, 2005, the Board shall revise its Bank Secrecy Act (BSA) Program to:
 1. Implement an effective system of internal controls to ensure compliance with BSA Laws and Regulations;
 2. Provide for adequate staffing, including the designation of a qualified BSA officer(s) who have sufficient authority, expertise, time, and staff (which may include outsourced staff) to coordinate and monitor day-to-day compliance with BSA Laws and Regulations, the Association's BSA Program, and related procedures;
 3. Provide for training of all personnel (including management and the Board) in accordance with Paragraph 8 of this Agreement;
 4. Set forth clear written delegation of responsibility for Board and management oversight of all BSA reporting and filing functions;
 5. Provide for effective monitoring of transactions, including cash sale monetary instruments, incoming and outgoing funds transfers, and ACH transactions for suspicious or unusual activities;

6. Provide for independent testing for BSA compliance, as provided for in Paragraph 7 of this Agreement, and requiring corrective actions to address deficiencies;
 7. Provide for effective monitoring of filing of CTRs (FinCEN Form 104 and FinCEN Form 105) for, at a minimum, timeliness, completeness, and accuracy;
 8. Provide for monitoring for compliance with the Office of Foreign Assets (OFAC) regulatory requirements (see 31 C.F.R. Part 500) and guidelines; and
 9. Provide for monitoring of compliance with information requests from the Financial Crimes Enforcement Network (FinCEN) pursuant to Sections 314(a) of USA Patriot Act.
- B. The Board thereafter shall review the Association's BSA Program on at least an annual basis, and more frequently if required by regulation or as deemed appropriate due to a change in its BSA risk profile, such as major business lines and products or method of delivery. The Board's review shall address (i) the scope of coverage of the BSA Program with respect to regulatory requirements, (ii) the adequacy of internal controls, (iii) the adequacy of independent testing and the implementation of corrective actions, (iv) the ability of the designated BSA officer(s) to coordinate and monitor day-to-day compliance with BSA Laws and Regulations and the Association's BSA Program with the allocated resources and training, and (v) the adequacy of training of all staff, including the Board and senior management, on BSA Laws and Regulations. The Board shall make the appropriate revisions to, and the Association shall comply with, the revised BSA Program.
- C. The Association shall submit the BSA Program to the Regional Director and the Commissioner for written non-objection by no later than January 31, 2005.

7. **Independent Testing for BSA Compliance**

- A. By no later than December 1, 2004, the Association shall conduct independent testing as required by 12 C.F.R. § 563.177(c)(2) (Independent Testing). The Association shall submit to the Regional Director and the Commissioner a written report of the results of the Independent Testing and any corrective actions required by the Board by January 31, 2005. Thereafter, the Association shall conduct Independent Testing at least annually, and more frequently if appropriate under the circumstances, and submit the findings to the Regional Director and the Commissioner. A qualified outside firm must conduct the Independent Testing that is required by December 1, 2004. Thereafter, a qualified firm must conduct independent testing unless the Board determines that a qualified person/employee who is otherwise independent of all BSA monitoring, loan and deposit functions can appropriately conduct the independent testing in accordance with Paragraph B hereof.
- B. The Independent Testing required by Subsection A. hereof shall cover all requirements of BSA Laws and Regulations, the procedures set forth in the

Association's BSA Policy, provide for transactions analysis where appropriate, and address the following (Independent Testing Report):

1. A review of the Association's policies and procedures for receiving, reviewing and responding to Section 314(a) FinCEN requests and procedures for retaining evidence of its research in responding to these requests;
2. A test of the Association's customer identification procedures;
3. Identification and reporting of suspicious activities and filing SARs, including a review of all SARs filed by the Association to evaluate their accuracy, timeliness, and completeness;
4. A review of Currency Transaction Reports (CTRS) (FinCEN Form 104 and FinCEN Form 105) made by the Association for accuracy, timeliness, and completeness, and a review of teller's work, daily cash reports, and high dollar or other large currency transactions reports, the Association's analysis of large currency transactions and determinations regarding the filing of any SARs and CTRs, and a review of the validity and reasonableness of customer exemption granted by the Association, a review of the exempt customer list to confirm that the Association is maintaining the required list, a verification that the Association is performing an annual review of each customer to determine their continued qualification for an exemption, and the Association's procedures for monitoring the accounts of exempted customers;
5. A test confirming the integrity and accuracy of the Association's BSA recordkeeping system and adherence with record retention requirements,
6. A test and confirmation of the integrity and accuracy of the systems for the reporting of large currency transactions, including a review of the reasonableness of the amount designated by the Association as a large transaction for inclusion on the report, and a review of procedures for determining whether aggregation of transactions should be undertaken or detecting structuring or other suspicious activities;
7. A determination that the Association has procedures in place for maintaining required information on customers purchasing monetary instruments for cash amounts between \$3,000 and \$10,000 and that appropriate identification measures are in place;
8. Reviews of wire transfer operations, if any, for compliance with BSA laws and regulations;
9. A review of the Association's policies and procedures regarding compliance with BSA laws and regulations, Office of Foreign Assets Control (OFAC) required checks, Customer Identification Program, and Suspicious Activity Reports (SARs) to determine that such policies and procedures are in

compliance with applicable laws and regulations, and a test of the Association's internal control procedures for monitoring compliance with the BSA laws and regulations, OFAC, Customer Identification Program, and SAR Policies;

10. A determination that the Association is conducting an ongoing training program for its employees and verification that the Association is maintaining records of such training for applicable personnel; and

11. A determination that the Association is monitoring cash shipments to and from the Federal Reserve Bank or its correspondent bank.

C. The Independent Testing Report shall be in writing, set forth specific methodology used to conduct the testing, state specific findings, and recommend specific corrective actions to address any deficiencies. Upon completion, the Board shall promptly review each Independent Testing Report and direct management to make the appropriate corrective actions. The Association shall maintain copies of the Independent Testing Report, as well as the detailed work papers, including records of transaction analysis, for five (5) years.

8. BSA Training

A. By no later than December 1, 2004, the Association's Board shall develop and implement a comprehensive training program for all departments to ensure that each director, officer, and employee is knowledgeable of the specific requirements of the applicable BSA Laws and Regulations, SAR Regulations, OFAC Regulations and guidelines, the Association's BSA Program, and related procedures for which his/her department and for which he or she is responsible for compliance (Training Program). The Board shall consider whether the development of the Training Program should be done with the assistance of a qualified third party vendor. Each director, officer, and employee shall receive training by January 31, 2005. Thereafter, each director, officer, and employee shall receive training no less frequently than annually, and more frequently if required by change in the Association's anti-money laundering risk, BSA Laws and Regulations, and the Association's BSA Program and procedures. The Board shall submit the Training Program to the Regional Director and the Commissioner.

B. The Training Program shall address: (i) requirements for mandatory attendance, (ii) frequency of training, (iii) procedures for updating training materials on a regular basis so that all personnel have the most current information available, (iv) requirements for testing for proficiency of comprehension of employees, and (v) the training curriculum, including the method.

C. The Association shall maintain detailed training records on all training conducted for a period of five (5) years after such training. These training records shall demonstrate compliance with Paragraph 8.B hereof.

D. No later than March 30, 2005, and no less frequent than annually thereafter, the Board shall require the designated BSA officer to submit a written report to the Board that (i)

sets forth scope and frequency of BSA training, (ii) addresses deficiencies noted in the Training Program as a result of independent testing, by the internal auditor, or the OTS examiners and the correction of such deficiencies, and (iii) recommends any enhancements to the Training Program. No later than 30 days after receipt of this report, the Board shall submit to the Regional Director and the Commissioner the training report and a summary of the actions taken to address any deficiencies.

9. Review of RB 18-6

By no later than October 15, 2004, each director must certify that he or she has read and understand Regulatory Bulletin 18-6, "Supplemental Guidance on Bank Secrecy Act and Anti-Money Laundering Programs", dated March 31, 2004. Such certification shall be set forth in the minutes of the Board and sent to the Regional Director and the Commissioner.

10. Compliance Program

- A. By January 31, 2005, the Board shall establish, adopt, and submit to the Regional Director and the Commissioner, a Compliance Program, acceptable to the Regional Director and the Commissioner, for the purpose of ensuring compliance with all applicable consumer and public-interest related laws and regulations, including, but not limited to, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, and the applicable regulations implementing these statutory provisions or otherwise promulgated thereunder. The Association shall comply with the Compliance Program.
- B. The Compliance Program shall provide:
 - 1. Written policies and procedures that set forth the requirements of the applicable laws, regulations, and OTS policy guidelines;
 - 2. An internal review process that conforms to OTS self-assessment compliance program (Systems, Monitoring, Assessment, Accountability, Response and Training Program). Such program shall provide for periodic and systemic review of system records and operations to identify transactional violations and program deficiencies;
 - 3. Assignment of responsibility, authority and reporting relationships that provide direction to the Association's staff for implementing the Compliance Policy and apprise the Association's senior executive officers and Board of performance with the Compliance Program;
 - 4. A process for promptly addressing consumer complaints, remedying regulatory violations, correcting internal oversight deficiencies and OTS and OFI examination deficiencies, and revising the Compliance Policy and system revisions or updates to address deficiencies;

5. Communication of the Compliance Policy and other procedures, directives, regulatory requirements, and service goals, including such communication as is necessary to obtain and maintain staff expertise; and
6. Ongoing training of Association's staff, including the use of qualified outside vendors, to ensure understanding of applicable statutes and regulations.

11. **Director Responsibility**

Notwithstanding the requirements of this Agreement that the Board submits various matters to the Regional Director and the Commissioner for the purpose of receiving his approval, non-objection or notice of acceptability, such regulatory oversight does not derogate or supplant each individual Director's continuing fiduciary duty. The Board shall have the ultimate responsibility for overseeing the safe and sound operation of the Association at all times, including compliance with the determinations of the Regional Director and the Commissioner as required by this Agreement.

12. **Compliance with Agreement**

All policies, procedures, corrective actions, plans, programs, reviews and systems required by this Agreement (collectively, Policies and Procedures) shall conform to all applicable statutes, regulations, OTS policy and guidance. The Board shall submit copies of all Policies and Procedures required by this Agreement to the Regional Director and the Commissioner within the timeframes specified or, in the event a timeframe is not specified, within thirty (30) days after adoption by the Board. The Board shall revise such Policies and Procedures as required by the Regional Director or the Commissioner within thirty (30) days of receipt of written direction from the Regional Director or the Commissioner. The Policies and Procedures, as modified consistent with the written direction of the Regional Director and the Commissioner, shall be incorporated into this Agreement and any deviation from such Policies and Procedures shall be a violation of this Agreement.

- A. The Board shall require Management to correct all deficiencies identified in the Association's June 1, 2004, ROE, as directed therein. Further, the Board and Management of the Association shall take immediate action to cause the Association to comply with the terms of this Agreement and shall take all actions necessary or appropriate thereafter to cause the Association to continue to carry out the provisions of this Agreement.
- B. The Board shall, on a quarterly basis beginning with the calendar quarter ending September 30, 2004, adopt a board resolution (the Compliance Resolution) formally resolving that, following a diligent inquiry of relevant information (including a report from Management regarding the Association's compliance with each numbered paragraph of this Agreement), to the best of its knowledge and belief, during the immediately preceding calendar quarter, the Association has complied with each provision of this Agreement currently in effect, except as otherwise stated. The Compliance Resolution shall:

1. Specify in detail how, if at all, full compliance was found not to exist; and
 2. Identify all notices of exemption or non-objection issued by the Regional Director that were outstanding as of the date of its adoption.
- C. The minutes of each meeting of the Board shall set forth the following information with respect to the adoption of each Compliance Resolution:
1. The identity of each Director voting in favor of its adoption; and
 2. The identity of each Director voting in opposition to its adoption or abstaining from voting thereon, setting forth each such Director's reasoning for opposing or abstaining.
- D. Within thirty (30) calendar days after the end of each calendar quarter, beginning with the calendar quarter ending September 30, 2004, the Board shall provide to the Regional Director and the Commissioner a certified true copy of the Compliance Resolution[s] adopted at the Board meeting pursuant to Paragraph 12 of this Agreement. The Board, by virtue of the Association's submission of a certified true copy of such Compliance Resolution to the Regional Director and the Commissioner, shall be deemed to have certified to the accuracy of the statements set forth in each Compliance Resolution. In the event that one or more Directors do not agree with the representations set forth in a Compliance Resolution, such disagreement shall be noted in the Board meeting minutes.
- E. The Board shall promptly respond to any request from the Regional Director or the Commissioner for documents to demonstrate compliance with this Agreement, including making Association records and documents available for OTS or OFI examiner review upon request.

13. **Definitions**

All technical words or terms used in this Agreement for which meanings are not specified or otherwise provided by the provisions of this Agreement shall, insofar as applicable, have meanings as defined in Chapter V of Title 12 of the Code of Federal Regulations, HOLA, Federal Deposit Insurance Act (FDIA) or OTS Bulletins. Any such technical words or terms used in this Directive and undefined in said Code of Federal Regulations, HOLA, FDIA, or OTS Bulletin shall have meanings that are in accordance with the best custom and usage in the savings and loan industry.

14. **Successor Statutes, Regulations, Guidance, Amendments**

Reference in this Agreement to provisions of statutes, regulations, and OTS Bulletin shall be deemed to include references to all amendments to such provisions as have been made as of the Effective Date and references to successor provisions as they become applicable.

15. **Notices**

Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by the Agreement to be made upon, given or furnished to, delivered to, or filed with:

- A. The OTS by the Association, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Regional Director, Office of Thrift Supervision, Department of the Treasury, 225 East John Carpenter Freeway, Irving, Texas 75062-2326, (972) 277-9500, or telecopied to (972) 277-9630, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.
- B. The Association by the OTS, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Association at Rayne Building and Loan Association, 200 North Adams Avenue, Rayne, Louisiana 70578-5920, (337) 334-7535, or telecopied to (337) 332-4261, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.
- C. The Commissioner by the Association, shall be sufficient for every purpose hereunder if in writing and mailed, first class, postage prepaid or sent via overnight delivery service or physically delivered, in each case addressed to the Commissioner, Louisiana Office of Financial Institutions, 8660 United Plaza Boulevard, Second Floor, Baton Rouge, Louisiana 70804-9095. or telecopied to (225) 925-4548, and confirmed by first class mail, postage prepaid, overnight delivery service or physically delivered, in each case to the above address.

16. **Duration, Termination or Suspension of Agreement**

- A. This Agreement shall:
 - 1. Become effective upon its execution by the OTS and the Commissioner, through its authorized representative whose signature appears below; and
 - 2. Remain in effect until terminated, modified or suspended in writing by the OTS, acting through its Director or the Regional Director (including any authorized designee thereof).
- B. The Regional Director in his sole discretion, may, by written notice, suspend any or all provisions of this Agreement.

17. **Time Limits**

Time limitations for compliance with the terms of this Agreement run from the Effective

Date, unless otherwise noted.

18. **Effect of Headings**

The Section headings herein are for convenience only and shall not affect the construction hereof.

19. **Separability Clause**

In case any provision in this Agreement is ruled to be invalid, illegal or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his sole discretion determines otherwise.

20. **No Violations of Law, Rule, Regulation or Policy Statement Authorized; OTS Not Restricted**

A. Nothing in this Agreement shall be construed as:

1. Allowing the Association to violate any law, rule, regulation, or policy statement to which it is subject; or
2. Restricting the OTS or OFI from taking such action(s) as are appropriate in fulfilling the responsibilities placed upon it by law, including, without limitation, any type of supervisory, enforcement or resolution action that the OTS or OFI determines to be appropriate.

21. **Successors in Interest/Benefit**

The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the parties hereto and the Federal Deposit Insurance Corporation and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

22. **Signature of Directors**

Each Director signing the Agreement attests, by such act, that she or he voted in favor of a Board resolution authorizing the execution of this Agreement by the Association.

23. **Integration Clause**

This Agreement represents the final written agreement of the parties with respect to the subject matter hereof and constitutes the sole agreement of the parties, as of the Effective Date, with respect to such subject matter. However, as noted herein, all Policies and Procedures required by this Agreement shall, upon modification consistent with the direction of the Regional Director or the Commissioner, become part of this Agreement

and any deviation from these policies shall be deemed a violation of this Agreement.

24. **Enforceability of Agreement**

The Association represents and warrants that this Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Association. The Association acknowledges that this Agreement, is a "written agreement" entered into with OTS within the meaning of Section 8 of the FDIA, 12 U.S.C. §1818, and with the Commissioner as authorized by Louisiana Revised Statute 6:121.1(B).

25. **Counterparts**

This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

IN WITNESS WHEREOF, OTS, acting by and through the Regional Director; OFI, acting by and through the Commissioner; and the Association, in accordance with a duly adopted resolution of its Board, hereby execute this Agreement as of the Effective Date.

OFFICE OF THRIFT SUPERVISION

By:

Frederick R. Casteel
Frederick R. Casteel
Regional Director
Midwest Region

**LOUISIANA OFFICE OF FINANCIAL
INSTITUTIONS, Baton Rouge, LA**

By:

John Ducrest
John Ducrest, Commissioner

**RAYNE BUILDING AND LOAN
ASSOCIATION, RAYNE, LOUISIANA**

By:

Ronald J. Duhon
Ronald J. Duhon
President and Director

Clyde J. Leger, Jr.
Clyde J. Leger, Jr., Chairman of Board
and Director

Leonard L. Leonards
Leonard L. Leonards, Director

Robert D. Hebert
Robert D. Hebert, Director

Luke A. Beslin
Luke A. Beslin, Director

Mason Leger
Mason Leger, Director